

# Country's own microchip plant to be ready by 1996

By  
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KUALA LUMPUR, Tues. — Prime Minister Datuk Seri Dr Mahathir Mohamad, who described acquiring technology as vital to national development, said the country's own microchip plant would be operational by 1996.

He said the RM110 million factory would be built by the Malaysian Institute of Microelectronic Systems (MIMOS) at the Technology Park in Bukit Jalil.

"Microelectronic technology is a very important field considering that in this age, information is essential to develop a country.

"The MIMOS factory, which will be the first of its kind in the country, will produce microchips for local needs.

(Currently a number of foreign semiconductor firms manufacture microchips here but most of them are for export while the Malaysian factory will produce chips suited to local demand and needs).

"There already exists a market in Malaysia for such microchips. For instance the field of automotive engineering will require a lot of microchips."

Dr Mahathir said this at a Press conference after launching the Upgrading of the JARING (Joint Advanced Research Integrated Networking Project) at MIMOS's office at Exchange Square in Damansara Heights here.

He was also given a demonstration on the use of the computer network which is part of the global Internet system.

Dr Mahathir, who was on an official visit to MIMOS, was also briefed on its operations and progress.

Also present was Minister of Science, Technology and Environment Datuk Law Hieng Ding, National Science Adviser Datuk Omar Abdul Rahman, MIMOS director-general Tengku Mohd Azzman Shariffadeen, his deputy Mohamed Arif Nun and the director of its computer systems division Mohamed Awang Lah.

Dr Mahathir said there was already a market for the country's pioneer microchip

factory products in the automotive engineering field. He said the national car manufacturer Proton produced more than 100,000 cars annually and each vehicle required up to 20 microchips.

"This means there is already enough volume for the factory to market its production. But it's not just Proton which will use such microchips but also computer assemblers and producers in Malaysia who will need them."

He added that the design of the microchips would be done exclusively by MIMOS and these chips would be specifically used for local needs as well as others who required them.

Dr Mahathir said re-

sponse from the private sector to MIMOS was quite encouraging.

Although MIMOS's capability was still small, Dr Mahathir added that the private sector had expressed interest in using MIMOS's expertise particularly in carrying out tests and designing of microchips.

He said the private sector could co-operate with MIMOS and use its facilities although they may have to pay for such services and added that he did not think they needed encouragement as they were aware of its importance.

Asked if he was satisfied with MIMOS's progress, Dr Mahathir said a lot more had to be done and that it

was perhaps, restricted by financial constraints in getting more sophisticated equipment.

He said this was a limiting factor for MIMOS but the Government intended to assist MIMOS where it possibly could.

"This is so we can step up our capability in the field of information technology, manufacture and design of microchips, and so on."

Dr Mahathir also said that MIMOS itself would be moving to a more bigger centre from its present site.

He said MIMOS, which was set up in 1985, had achieved considerable success and was now able to market its products both locally and abroad. He hoped

MIMOS which is supported by the Government would one day be able to operate on its own.

However, he said those involved had not realised the scope of its challenges and responsibilities when it was first set up.

Dr Mahathir said today it realised that in the field of electronics there was a need for constant upgrading.

Dr Mahathir also said that the National Information Technology Council, of which he is the chairman, would meet soon to understand its responsibilities and map out the role of information technology for Malaysia.

Later, MIMOS's director of semiconductor technol-

ogy, Irfan Rahim, told reporters the country's first microchip manufacturing factory would initially operate as a research and development facility.

He said several companies, including some in Taiwan, had expressed interest in tapping its expertise in microchip design technology. The factory, when operational, will produce about 6,000 wafers a month.

Irfan said this would enable it to support the needs of at least six Proton size projects. He also said that the factory would enable the country to save a considerable sum in foreign earnings as microchips were considered value-added items.